

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
(Charlotte Division)

In re:

JOSHUA AND ANDREA FARMER,

Debtors.

In re:

RAYMOND AND DIANE FARMER,

Debtors.

Chapter 11

Case No. 10-40269

Chapter 11

Case No. 10-40270

Jointly Administered

**STIPULATION BY AND BETWEEN DEBTORS AND
WORLD OMNI FINANCIAL CORPORATION REGARDING
VALUATION OF COLLATERAL UNDER 11 U.S.C. §506(a)(1)**

The above-captioned debtors (the “Debtors”), on the one hand, and World Omni Financial Corporation (“World Omni”), on the other hand, hereby stipulate and agree to be bound as follows:

1. On April 5, 2010 (the “Petition Date”), the Debtors filed two voluntary joint petitions for relief under chapter 11 of the Bankruptcy Code in this Court. The Debtors are currently debtors in possession, pursuant to sections 1107 and 1108 of the Bankruptcy Code.

2. No trustee or examiner has been appointed in these chapter 11 cases. The chapter 11 cases were administratively consolidated by an order entered on May 10, 2010.

3. On or about January 24, 2008, Two Mile Properties, LLC, purchased the following vehicles: (i) a 2008 Toyota Prius vehicle, VIN:JTDKKB20U283346921 (the “First Prius Vehicle”) pursuant to the terms of a Retail Installment Sale Contract of even date (the “First Prius Contract”), and (ii) a 2008 Toyota Prius vehicle, VIN:JTDKKB20U283348801 (the “Second Prius Vehicle,” and together with the First Prius Vehicle, the “Vehicles”) pursuant to the terms

of a Retail Installment Sale Contract of even date (the “Second Prius Contract,” and together with the First Prius Contract, the “Contracts”).

4. World Omni filed a Motion for Relief from Stay where it represented, among other things, that: (i) it is the current holder and owner of the Contracts, and (ii) that the Contracts are secured by perfected security interests in the Vehicles as evidenced by notations on the relevant Certificates of Title issued by the State of North Carolina.

5. On March 18, 2011, the Debtors filed the *Second Amended Joint Plan of Reorganization of Raymond and Diane Farmer and Joshua and Andrea Farmer Pursuant to Section 1121(a) of the Bankruptcy Code* (the “Plan”)(ECF No. 390). World Omni’s secured claims with respect to the Vehicles were classified in Classes 59 and 60 of the Plan.

6. The Plan provided, among other things, that World Omni’s secured claims would be treated as secured obligations of Joshua Farmer (as to the First Prius Vehicle) and Diane Farmer (as to the Second Prius Vehicle) in the amounts set forth in the Debtors’ Schedules or on such other terms as may be agreed upon by the respective debtors and World Omni.

7. The Debtors and World Omni have conferred and agreed upon values of the respective Vehicles for the purposes of claims allowance, voting and distributions under the Plan.

NOW, THEREFORE, INTENDING TO BE LEGALLY BOUND, IT IS HEREBY STIPULATED AND AGREED as follows:

- A. That the value of the First Prius Vehicle as of the Petition Date was \$16,000.00.
- B. That the value of the Second Prius Vehicle as of the Petition Date was \$16,000.00.

C. Each person who executes this Stipulation by or on behalf of each respective party warrants and represents that he or she has been duly authorized and empowered to execute and deliver this Stipulation of behalf of such party.

D. No provision of this Stipulation may be changed, except by a written instrument executed by the parties or as ordered by the Court, provided however, that this Stipulation is conditioned upon the confirmation of the Debtors' Plan and will be vacated by its own terms in the event that the Plan is not confirmed.

WE STIPULATE AND CONSENT:

<u>/s/ Andrew T. Houston</u> Andrew T. Houston Moon, Wright & Houston, PLLC 227 West Trade Street, Suite 1800 Charlotte, NC 28202 (704) 944-6563 <i>Attorney for Debtors</i>	<u>/s/ Kristin Decker Ogburn</u> Kristin Decker Ogburn Horack Talley Pharr & Lowndes, PA 301 S. College Street, Suite 2600 Charlotte, NC 28202 (704) 377-2500 <i>Attorney for World Omni</i>
--	--